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37 July 1963

MEMORANDUM FOR: Director of Personnel

SUBJECT : Employment Processing Forecast for FY '64

Attached is our plotting of the employee processing task facing us for this fiscal year. The implications may be obvious, but we can not risk their being overlooked. As I see it, there are three critical issues which need immediate attention: policy decisions and the development and implementation of manpower controls; manpower controls, by the way, of a nature never before contemplated in this Agency. The three problem areas as I see them are first, the age curve (here we should refer to the recent study done by Plans & Review Staff, Office of Personnel); second, the question of ceiling versus average employment as a recruitment tool; and third, the fact that there are [redacted] people in process for employment.

These three problems derive from or are intensified by the fact that we are already over our average employment figure for fiscal '64. We entered this fiscal year with a net difference between ceiling and on duty strength of 310. The budgeted '64 ceiling is [redacted] with a budgeted average employment of [redacted] and a year end (June 1964) strength targeted at [redacted]. Needless to say, something has got to give! The alternatives are obvious--either an increase in ceiling and average employment and, therefore, year end strength or (perhaps and) some internal surgery. I intend to argue for both, but would first examine the second alternative which in turn is susceptible to one or more of the following solutions. Identify and eliminate marginal activities (and employees?); establish priorities among those components presently planned for future expansion; place a "hold" on certain elements permitting utilization to work; cut back on recruitment activities. I favor a modicum of all of these means, except the last, against which I should like to argue. At least twice in the history of the Agency we have suspended recruiting and then in the years following suffered from the loss of manpower. However, there is no question that we can tailor the recruitment and placement function to be responsive to priorities and we could, for example, recruit no economists for a year, telling ORR that they must suffer attrition until

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they are at 75% strength at which point recruiting would be approved to maintain that level. This would be better than attempting to control on duty strength by delaying the entrance on duty of cleared applicants. Generally, we should not recruit unless we intend to EOD the applicant as soon as possible after the processing is completed. Not only would we lose the majority of such applicants after the considerable expense involved in recruiting, clearing, and otherwise processing; but would do great damage to our presently improving public relations.

Let's return now to the first alternative which I think must also be used, that is, raise ceiling and average employment authorizations. The study done several years ago on the hump and the re-analysis done recently by Plans & Review Staff, demonstrate clearly that the Agency must take immediate steps to introduce larger numbers of young professionals in order that they have time to develop and mature to the point of assuming senior responsibilities by the time our middle age spread leaves the Agency. At the same time, the critical vacancies currently on the books identified by the Chief, Personnel Recruitment Division as the 400 hard-to-get are going to be filled by older people. We are faced, therefore, with the unhappy fact that although there are even now 116 on board above the '64 average employment figure, we must continue to recruit to meet our immediate needs and at the same time introduce rather large numbers of young professionals into the development stream.

Properly, we should ask ourselves how we got into this fix. The answer is simple. From a personnel point of view, we and the components being served have used ceiling as a recruitment target and have historically felt no restrictions as are necessarily implied in a budgeted average employment figure. As a consequence, our May '62 target for FY'63 of

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~~116~~ was developed on the basis of known vacancies, planned or authorized strength increases and attrition rates. It is important to repeat that the vacancies were against ceiling not against average employment. Consequently, as of 30 June 1963, we found ourselves within 310 of ceiling 116 over the average employment figure of '64 and yet we had on the books of Placement Branch, 533 vacancies as identified by the components. This was the simple answer to the question, "How did we get in this fix?" What we do about it is not so simple. Some method must be devised to monitor and control average employment if the ceiling against which each component operates and against which we recruit and process is going to continue to be something appreciably larger than the number of people for

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which salary money is being budgeted. I suggest that the lapsing formula merits re-examination. The 50% lapse on vacancies may be unrealistic. Analysis may show that our recruitment and processing efforts are better than this and that our vacancies are filled at perhaps a 60 or 70% rate suggesting, therefore, a 40 or 30% lapse. Likewise, the 2% lapse figure for encumbered positions may also be higher than justified--I note here that the twelve month running average of monthly attrition rates has never exceeded 9% and has held steady at that figure since November of 1961. This, of course, must be measured against the accession rate. Computed on the same basis (twelve month running average) we find a marked increase. In January of 1962 the accession rate was 1.1% per month but after a steady climb it is now, June 1963, at 1.5% per month. This means a net gain of 3.2% per year in overall Agency strength if present trends continue, or under different rules, that we can "beat" a 2% lapse rate.

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Of immediate concern, again because of our strength figures, is the fact that we have in process for employment, with the implied commitment to offer a job if cleared, [REDACTED]. And if we EOD even a third, this means something over [REDACTED] entering on duty in the next 90 days, while we can expect to lose no more than about 400 in the same period. Hence, by the middle of October, we will be more than 500 above the average employment of [REDACTED] and 250 over the year end strength target of [REDACTED]. An immediate demonstration of the urgency in this area is the fact that we will enter on duty 55 people next Monday, the 23rd of July.

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All of this, of course, carries with it another implication--and a happy one--for those of us in Personnel who have been concerned with trying to improve the employment procedure. Although we have forecast a requirement for [redacted] security initiations, we actually need only [redacted] new ones because of the [redacted] already in the works. Even this may indeed be small comfort if the larger problem with which we are here dealing is not resolved.

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Chief, Personnel Operations Division

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